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LAW ¹
No.9917, dated 19. 05. 2008

“ON THE PREVENTION OF MONEY LAUNDERING AND FINANCING OF TERRORISM”

Pursuant to Articles 78 and 83/ 1 of the Constitution, upon the proposal of the Council of Ministers,

THE ASSEMBLY

OF THE REPUBLIC OF ALBANIA

DECIDED

CHAPTER I
GENERAL PRINCIPLES

Article 1
Purpose

The purpose of this law is to prevent money laundering and proceeds derived from criminal offences, as well as, the financing of terrorism.

¹ This law has been amended by:

- Law no. 10391, approved on 3.3.2011, promulgated with the decree no.6933, dated 18.3.2011 of the President of the Republic, published in the Official Gazette no.31, dated 31 Mars 2011;

This law enters into force 15 after the publication in the Official Gazzette.

- Law no. 66/2012, approved on 7.6.2012, promulgated with the decree no. 7581,, dated 28.6.2012 of the President of the Republic, published in the Official Gazette no.80, dated 13 July 2012;

This law enters into force 15 after the publication in the Official Gazzette.

- Law no. 44/2017, approved on 6.4.2017, promulgated with the decree no. 10149,, dated 19.4.2017 of the President of the Republic, published in the Official Gazette no. 58, dated 21 April 2017;

This law enters into force 15 after the publication in the Official Gazzette.



Article 2 Definitions

*(Amended by Law no. 10 391, dated 3.3.2011;
amended by Law n. 66/2012)*

The terms used in this law have the following meaning:

1. "Responsible authority" is the General Directorate for the Prevention of Money Laundering that reports directly to the Minister of Finances, and serves as Financial Intelligence Unit of Albania.

2. "Shell bank" is a bank, which does not have a physical presence, including lack of administration and management, and, which is not included in any regulated financial group.

3. "Correspondent bank" means a bank that provides banking services in the interests of another bank (initiating bank) or its customers, to a third bank (receiving bank) based on an agreement, or a contractual relation among them.

4. "Financing of terrorism" has the same meaning as provided by articles 230/a through 230/ç of the Criminal Code.

5. "Bearer's negotiable instruments" includes monetary instruments in bearer form where the holder of the instrument has title, such as travellers' cheques; negotiable instruments (including but not limited to cheques, promissory notes and money orders) that are either in bearer form, endorsed without restriction of payee, made out to a fictitious payee, or otherwise in such form that title thereto passes upon simple delivery from one person to another; incomplete instruments (including but not limited to cheques, promissory notes and money orders) signed but with the payee's name not included.

6. "Customer" means every person, who is or seeks to be party in a business relation with one of the entities referred to in Article 3 of this law.

7. "Business relation" means any professional or commercial relationship, which is related to the activities exercised by the entities of this law and their customers, that at the moment it is established, is considered to be a continuous relation.

8. "Cash" means notes (banknotes and coins, national and foreign) in circulation.

9. "Laundering of criminal offence proceeds" has the same meaning as provided by Article 287, of the Criminal Code.

10. "Politically exposed persons" are the persons that are obliged to declare their properties, in accordance with law no. 9049, dated 10.04.2003 "On the declaration and audit of assets, financial obligations of the elected officials and certain public employees" including the members of the family or associated persons in close personal, working or business relationships, excluding employees of the middle or lower management level, according to the provisions of the civil service legislation. This category also includes individuals who have had or have important functions in a government and / or in a foreign country, such as: head of state and/or government, senior politicians, senior officials of government, judiciary or the army, senior leaders of public companies, key officials of political parties, including the members of the family or associated persons in close personal, working or business relationships ,

11. "Proceeds of Criminal offence" has the same meaning as provided by letter 'b' of paragraph 1 of Article 36 of Criminal Code.

12. "Beneficial owner" means the natural person which owns or, is the last to control a customer and/or the person on whose behalf is executed the transaction. This also includes those persons exercising the last effective control on a legal person. The last effective control is the relationship in which a person:

- a) owns through direct or indirect ownership, at least 25 percent of stocks or votes of a legal entity;

- b) by himself owns at least 25 percent of votes of a legal person, based on an agreement with the other partners or shareholders;
- c) defines *de facto* the decisions made by the legal person;
- ç) controls by all means the selection, appointment or dismissal of the majority of administrators of the legal person.

13. "Property" means rights or property interests of any kind over an asset, either movable or immovable, tangible or intangible, material or immaterial, including those identified in an electronic or digital form including, but not limited to, instruments such as bank loans, traveler's cheques, bank cheques, payment orders, all kinds of securities, payment orders and letters of credit, as well as any other interest, dividend, income or other value derived from them.

14. "Entity" is a natural or legal person, which establishes business relations with customers in the course of its regular activity or, as part of its commercial or professional activity.

15. "Money or value transfer service" means the performance of a business activity to accept cash and other means or instruments of the money and/or payment market (cheques, bank drafts, certificates of deposit, debit or credit cards, electronic payment cards etc.), securities, as well as any other document that substantiates the existence of a monetary obligation or any other deposited value and to pay to the beneficiary a corresponding amount in cash, or in any other form, by means of communication, message, transfer or by means of the clearing or settlement service, to which the service of the transfer of money or value belongs.

16. "Transaction" means a business relation or an exchange that involves two or more parties.

17. "Linked Transactions" means two or more transactions (including direct transfers) where each of them is smaller than the amount specified as threshold according to the article 4 of this law and when total amount of these transactions equals or exceeds the applicable threshold amount.

18. "Direct electronic transfer" means every transaction performed on behalf of a primary mandating person (natural or legal) through a financial institution, by means of electronic or wire transfer, with the purpose of making available a certain amount of money or other means or instruments of the money and/or payment market at the disposal of a beneficiary in another financial institution. The mandator and the beneficiary can be the same person.

19. "Trust" means an agreement in good faith, in which the ownership rests with the trustee on behalf of the beneficiary.

19/1 "Due diligence" is the entirety of measures that the subject should apply in order to identify as well as fully and accurately verify the customers, the ultimate beneficial owner, ownership and control structure of legal persons or legal arrangements, nature and purpose of the transaction and the business relationship as well as the ongoing monitoring of the business relationship and the continuous consideration of the transactions, in order to ensure that they are in conformity with customer's business activity and risk profiles, including, where necessary, the source of funds.

20. "Enhanced Due Diligence" is a deeper control process, beyond the "Know Your Customer" procedures, that aims to create sufficient certainty to confirm and evaluate the customer's identity, to understand and test the customer's profile, business, and the activity of its bank accounts; to identify the important information and to assess the possible risk of money laundering/terrorism financing pursuant to the decisions aiming at providing protection against financial, regulatory or reputational risks as well as compliance with legal provisions.

21. "Know Your Customer" procedure implies a set or rules applied by financial institutions, related to customer's acceptance and identification policies as well as their risk management.

22. "Person" within the meaning of this law are individuals, natural persons and legal persons.

23. "Payable-through account" refers to a correspondent account that is used directly by third parties to transact business on their own behalf.

24. "Legal arrangement" refers to trusts or other similar arrangement.

Article 3

Entities subject to this law

(Amended by Law no. 10 391, dated 3.3.2011;
amended by Law n. 66/2012)

Entities of this law include:

a) banking entities, and any other entity licensed or supervised by the Bank of Albania, including, but not limited to the entities designated in letters ' b', ' c' ' and ' ç' ' of this article.

b) non-bank financial entities;

c) exchange offices;

ç) savings and credit companies and their unions;

d) postal services that perform payment services;

dh) repealed

e) stock exchange and any other entity (agent, broker, brokerage house etc.), which carries out activities related to issuing, counseling, intermediation, financing and any other service related to securities trading;

ë) companies involved in life insurance or re-insurance, agents and their intermediaries as well as retirement funds;

f) the Responsible State Authority for Administration and Sale of Public Property and any other public legal entity, which engages in legal transactions related to the public property alienation and granting of usufruct over it or which carries out recording, transfer or alienation of public property;

g) gambling, casinos and hippodromes, of any kind;

gj) attorneys, public notaries and other legal representatives, authorized independent chartered accountants, approved independent accountants, financial consulting offices and regulated professions that offer financial consulting services when they prepare or carry out transactions for their customers in the following activities:

i) transfer of immovable properties, administration of money, securities and other assets;

ii) administration of bank accounts;

iii) administration of shares of capital to be used for the foundation, functioning or administration of commercial companies;

iv) foundation, functioning or administration of legal persons and/or legal arrangement;

v) legal agreements, sale of securities or shares of joint stock companies and the transfer of commercial activities;

h) Real estate agents in accordance with the definition specified in the albanian legislation for this category, when they are involved in transactions on behalf of their customers related to purchasing or sale of immovable property;

i) repealed.

j) the Agency for Legalization, Urbanization and Integration of Informal Areas/ Constructions;

k) any other natural or legal person, in addition to the aforementioned ones, engaged in:

i) the administration of third parties' assets/ managing the activities related to them;

i/1) foundation, registration, administration, functioning of the legal arrangement or legal persons that are not included under letter 'gj'.

ii) *repealed;*

iii) constructions;

iv) the business of precious metals and stones;

v) *repealed;*

vi) financial agreements and guarantees;

vii) buying and selling of works of art, or buying and selling in auctions of objects valued at\

- 1,000,000 (one million) Lek or more;
- viii) safekeeping and administration of cash or liquid securities in the name of other persons;
- ix) *repealed*;
- x) trade of motor vehicles;
- xi) transportation and delivery activity;
- xii) travel agencies.

CHAPTER II DUE DILIGENCE

Article 4

Cases when due diligence is required *(Amended by Law no. 10 391, dated 3.3.2011; amended by Law n. 66/2012)*

The subjects shall undertake customer due diligence measures:

- a) before they establish a business relationship;
- b) when the customer, in cases other than those specified in letter “a” of this paragraph, carries out or intends to carry out:
 - i). a transfer within the country or abroad or a transaction at an equal amount or exceeding 100 000 (one hundred thousand) Lek or its counter-value in foreign currencies, for the subjects specified in letters “a”, “b”, “c” and “g” of article 3 of this law, and other subjects which carry out transfer, foreign exchange or gambling services;
 - ii) a transaction at an equal amount of not less than 1 000 000 (one million) Lek or its counter-value in other foreign currencies, executed in a single transaction or in several linked transactions. If the amount of transactions is not known at the time of operation, the identification shall be made once the amount is known and the above threshold is reached;
 - c) if there are doubts about the veracity of the previously obtained identification data;
 - ç) in all cases when, regardless of the reporting thresholds stipulated in this article, there are doubts about money laundering or financing of terrorism.

Article 4/1

Due diligence measures *(added by Law no. 66/2012)*

In the framework of the exercise of due diligence, the subjects shall:

- a). Identify the customer (permanent or occasional, natural person, legal entity or trust) and verify his identity through documents, data or information received from reliable and independent sources.
- b). For the customers who are legal persons or legal arrangement:
 - i) verify if any person acting on behalf of the customer is so authorized and to identify and verify his identity;
 - ii) verify their legal status through the documents of foundation, registration or similar evidence of their existence and provide information about the name of the customer, the name of trustees (for the legal arrangements), legal form, address, managers and/or legal representatives (for legal persons) and provisions regulating legal relationships;



c). Identify the beneficial owner and adopt reasonable measures to verify his/her identity through information or data provided from reliable sources on the basis of which the subject establishes his/her identity.

ç) Determine for all customers, before establishing business relationships, if they are acting on behalf of another person and take reasonable measures to obtain adequate data for the identification of that person.

d) Understand the ownership and control structure for the customers who are legal persons or legal arrangement;

dh) Determine who are the individuals owning or controlling the customer, including those persons who exercise the ultimate effective control over the legal persons or legal arrangement

e) Obtain information about the purpose and nature of the business relationship and to establish the risk profile during the ongoing monitoring.

ë) Conduct continuous monitoring of the business relationship with the customer, including the analysis of transactions executed in the course of duration of this relationship, to ensure that they are consistent with the knowledge of the subject about the customer, nature of his/her business, risk profile and source of funds.

f). Ensure, through the examination of customers' files, that documents, data and information obtained during the process of due diligence are updated, relevant and appropriate, especially for the customers or business relationships classified with high risk.

g). Verify the identity of the customer and beneficial owner, before or in the course of establishing of a business relationship or conducting a transaction for the occasional customers.

The verification of identity of the customer and beneficial owner may be carried out after the establishment of business relationship, provided that:

i) it occurs as soon as practically possible;

ii) does not interrupt the normal conduct of the business activity;

iii) money laundering risks are effectively managed by the subject.

gj) Define the risk management procedures to be applied in cases where a customer may be permitted to enter into a business relationship with the customer, prior or during the completion of the verification process. These procedures shall inter alia include measures such as the limitation of number, type and/or amount of transactions that may be executed, as well as the monitoring of large and complex transactions carried out outside of the scope of the expected profile of the characteristics of that relationship.

h) Comply with the aforementioned obligations for the existing customers based on evidence, facts and risk of exposure to money laundering and financing of terrorism.

2. When the subjects are unable to comply with the customer due diligence obligations according to this article and articles 4, and 5 of this law, they:

a) shall not open accounts, perform transactions or commence a business relationship;

b) shall terminate the business relationship if it has commenced;

c) shall send a suspicious activity report to the "Responsible Authority".

3. Not open or keep anonymous accounts, accounts with fictitious names or identified only with a number or code, including the issue of bearer passbooks and other bearer instruments. If there are such accounts, their customers shall be identified and verified in accordance with the provisions of this article. If this is not possible, the account should be closed and a suspicious activity report should be sent to the "Responsible Authority".

Article 5

Required documents for customer's identification



1. For the purposes of identification and verification of the identity of customers, the entities must register and keep the following data:

a) In the case of natural persons: first name, father's name, last name, date of birth, place of birth, place of permanent residence and of temporary residence, employment, type and number of identification document, as well as the issuing authority and all changes made at the moment of execution of the financial transaction;

b) In the case of natural persons, which carry out for-profit activity: first name, last name, number and date of registration with the National Registration Center, documents certifying the scope of activity, Taxpayer Identification Number (TIN), address and all changes made in the moment of execution of the financial transaction;

c) In the case of legal persons, that carry out for-profit activity: name, date of registration with the National Registration Center, document certifying the object of activity, Taxpayer Identification Number (TIN), address and all changes made in the moment of execution of the financial transaction;

ç) In the case of legal entities, that do not carry out for-profit activity: name, number and date of court decision related to registration as a legal person, statute and the act of foundation, number and date of the issuance of the license by tax authorities, permanent location, and the type of activity;

d) In the case of legal representatives of a customer: first name, last name, date of birth, place of birth, permanent and temporary residence, type and number of identification document, as well as the issuing authority and copy of the affidavit.

2. To gather data according to the stipulations of this article, the entities shall accept from the customer only authentic documents or their notarized photocopies. For the purposes of this Law, the entity shall keep in the customers' file copies of the documents submitted by the customer in the above form stamped with the entity's seal, within the time limits of their validity.

3. When deemed necessary, the entities must ask the customer to submit other identification documents to confirm the data provided by the latter.

Article 6

Technological developments and third parties

(Amended by Law no. 66/2012)

1. The subjects shall implement policies or undertake proper measures, as the case may be, to identify and assess the money laundering and financing of terrorism risks arising from:

a) the development of new products, business practices and delivery channels;

b) the use of new or developing technologies;

Subjects shall implement such measures prior to the introduction of new products or business practices or the use of new technologies in order to manage and mitigate identified risks.

2. The subjects shall apply specific procedures, take proper and effective measures to prevent the risk related transactions or business relationships, carried out without the presence of the customer.

3. Due diligence measures shall be applied by the subjects of this law and the reliance on third parties is prohibited.

CHAPTER III

ENHANCED DUE DILIGENCE

Article 7

Enhanced due diligence

(Amended by Law n. 66/2012)

1. Enhanced due diligence shall include additional measures besides those foreseen for the due diligence concerning business relationships, high risk customers or transactions. In order to mitigate the risk of money laundering, other than the categories stipulated in this law and its bylaws issued thereto, the subjects shall identify other categories of business relationships, customers and transactions which, on a risk sensitive basis, pose a higher risk and to which enhanced due diligence measures shall be applied.

2. In order to implement the enhanced due diligence, the entities should require the physical presence of customers and their representatives:

- a) prior to establishing a business relationship with the customer;
- b) prior to executing transactions on their behalf.

3. When the subjects are unable to fulfil the enhanced due diligence obligations toward the customer in accordance with articles 7, 8 and 9 of this Law, they should apply the provisions of paragraph 13 of article 4/1.

Article 8

Categories of customers subject to enhanced due diligence

*(Amended by Law no. 10 391, dated 3.3.2011;
amended by Law no. 66/2012)*

1. For the politically exposed persons, the subjects shall:

- a) design and implement effective systems of risk management to determine whether an existing or potential customer or the beneficial owner is a politically exposed person;
- b) to obtain the senior managers approval for establishing business relationships with the politically exposed persons;
- c) to request and receive the approval of senior managers to continue the business relationship, in cases when the business relationship with the customer is established and the entity finds out that the customer or the beneficial owner became or subsequently becomes a politically exposed person;
- ç) to take reasonable measures to understand the source of wealth and funds of customers and the beneficial owners, identified as politically exposed persons.

2. In cases where entities have a business relationship with politically exposed persons, they must monitor with an enhanced diligence this relationship.

3. For customers that are non-profit organizations, the entities should:

- a) gather sufficient information about them, in order to completely understand the sources of financing, the nature of the activity, as well as, their manner of administration and management;
- b) establish customers' reputation by using public information or other means;
- c) obtain the approval of the higher instances of administration/management before establishing a business relation with them;
- ç) perform extended monitoring of the business relation;

4. The subjects shall exercise enhanced due diligence to business relationships and transactions with non-resident customers, in particular where such relationships and transactions are undertaken without the presence of the customer.

5. The subjects shall verify and exercise enhanced due diligence to business relationships and transactions with all types of the customers residing in or carrying out their activity in countries which do not apply or partially apply the relevant international standards, for the prevention and fight against money laundering and financing of terrorism. The subjects shall examine the reasons and purpose of

execution of such transactions and shall maintain written records about the findings for a period of five years which shall be made available to the “Responsible Authority” and auditors as may be required.

6. The subjects shall exercise enhanced due diligence to business relationships and transactions with customers such as trusts and companies with nominee shareholders.

Neni 9

Categories of transactions and business relations to which extended due diligence is implemented

*(Amended by Law no. 10 391, dated 3.3.2011;
amended by Law n. 66/2012)*

1. Subjects should pay particular attention to all complex transactions, with large and unusual values, which have no apparent economic or legal purpose. Subjects shall examine the reasons and purpose of performing such transactions and maintain written records for the conclusions, which must be kept for a period of five years and must be made available to the “Responsible Authority”, and auditors as may be required.

2. Banks subject to this law, with regard to cross-border corresponding bank services that they offer, prior to establishing a business relation shall:

a) collect adequate information about the respondent institution to fully understand the nature of its business;

b) determine through public information, the reputation of the respondent institution and the quality of its supervision, including whether it has been the subject of investigations or regulatory sanctions related to money laundering or the financing of terrorism;

c) assess the adequacy and effectiveness of the respondent institution’s internal control procedures against money laundering and financing of terrorism;

ç) receive the approval of higher instances of administration/management and document respectively for each institution the responsibilities for prevention of money laundering and financing of terrorism;

d) draft special procedures for the ongoing monitoring of direct electronic transactions.

3. Subjects are prohibited from establishing or continuing correspondent bank relationships with shell banks.

4. Subjects should undertake the necessary measures to satisfy themselves that the corresponding foreign banks do not allow the use of their accounts by shell banks. Subjects should interrupt the business relations and report to the “Responsible Authority” when they consider that the corresponding bank accounts are used by shell banks.

5. When the correspondent relationship includes the maintenance of payable through accounts, the subjects should ensure that the correspondent bank:

a) has undertaken appropriate due diligence measures for customers that have direct access to these accounts;

b) is able, if required, to provide customer’s identification documents;

Article 10

Obligations for money or values transfer service

(Amended by Law no. 66/2012)

1. The subjects, the activities of which include money or value transfers, must obtain and identify, first name, last name, address, document identification number or account number of the originator, including the name of the financial institution from which the transfers is made. The information must be included in the message or payment form attached to the transfer. If there is no account number, the transfer shall be accompanied by a unique reference number.

2. The entities transmit the information together with the payment, including the case when they act as intermediaries in a chain of payments.

3. If the entity referred to in paragraph 1, of this article receives money or value transfers, including direct electronic transfers, which do not include the necessary information about the ordering person, the entity must request the missing information from the sending institution. If it fails to register the missing information, it should refuse the transfer and report it to the responsible authority.

4. The subjects, the activities of which include money or value transfers, shall keep a list of their agents and make such list available to the responsible authority, supervisory authorities, and auditors as may be required. Such agents shall be considered as part of the subject for the purposes of this Law and subjects shall therefore include their agents in their programmes for the prevention of money laundering and financing of terrorism and ensure that they apply the same internal measures for customer due diligence, record keeping and reporting.

Article 11

Prevention measures to be undertaken by entities

(Amended by Law no. 10 391, dated 3.3.2011;

amended by Law no. 66/2012)

1. According to this law and its secondary legislation, the entities shall have the following obligations:

a) draft and apply internal regulations and guidelines that take into account the money laundering and terrorism financing risk, which can originate from customers or businesses, including but not limited to:

(i) a customer's acceptance policy, and

(ii) a policy for the application of procedures of enhanced due diligence in the case of high-risk customers and transactions.

b) nominate a responsible person for the prevention of money laundering, at the administrative/management level in the central office and in every representative office, branch, subsidiary or agency, to which all employees shall report all suspicious facts, which may comprise a suspicion related to money laundering or terrorism financing, and develop adequate compliance management procedures for the prevention of money laundering and financing of terrorism. The responsible persons have continuous access to all data stipulated in Article 16, of this Law and any other information available to the subject that is relevant for the responsible person to fulfill its responsibilities.

c) establish a centralized system, in charge of data collection and analysis;

ç) apply fit and proper procedures when hiring new employees, to ensure their integrity.

d) train their employees on the prevention of money laundering and terrorism financing through regular organization of training programs.

dh) instruct the internal audit to check the compliance with the obligations of this law and of the relevant sublegal acts;

e) ensure that subsidiaries, branches, sub-branches, as well as their agencies, outside the territory of the Republic of Albania, and in particular in territories which do not or insufficiently apply the international standards, act in compliance with preventive measures that are consistent with this law. If

the preventive measures in the two countries differ, then subjects shall ensure that the highest obligations prevail. If the laws of the country where the subsidiaries, branches, sub-branches or agencies have been established, foresee impediments for the implementation of the obligations, the subject shall report about those impediments to the "Responsible Authority" and, depending on the case, to its supervising authority.

ë) submit information, data and additional documents to the responsible authority, in accordance with the provisions and time limits set forth in this law. The responsible authority may extend this time limit in writing for a period of no more than 15 days.

2. *repealed.*

3. If the number of the employees of the entities referred to in this law is less than 3 persons, the obligations of this law shall be fulfilled by the administrator or by an authorized employee of the entity.

CHAPTER IV OBLIGATION TO REPORT

Article 12

Reporting to responsible authority

*(Amended by Law no. 10 391, dated 3.3.2011;
amended by Law no. 66/2012)*

1. Subjects submit a report to the "Responsible Authority", in which they present suspicions for the cases when they know or suspect that laundering of the proceeds of crime or terrorism financing is being committed, was committed or attempted to be committed or funds involved derive from criminal activity. The reporting is to be done immediately and not later than 72 hours.

2. When the subject upon being asked by the customer to carry out a transaction, suspects that the transaction may be related to money laundering or terrorism financing, or funds involved derive from criminal activity, should not perform the transaction and immediately report the case to the "Responsible Authority", and ask for instructions as to whether it should execute the transaction or not. The "Responsible Authority" responds within 48 hours from the time when was first notified, setting out the position for permitting the transaction or the issuance of the freezing order. When the "Responsible Authority" does not respond within the stipulated period the reporting subject may proceed with the execution of the transaction.

3. Subjects are required to report to the "Responsible Authority" within the time limits set forth in the secondary legislation pursuant to this law, all cash transactions, at an amount equal to or greater than 1 000 000 (one million) Lek or its equivalent in other currencies, performed as a single transaction or transactions related with each other within 24 hours.

Article 13

Protection of the reporting subject identity

*(Amended by Law no. 10 391, dated 3.3.2011;
amended by Law no. 66/2012)*

For the suspicious activity reports received pursuant to this law the "Responsible Authority" is obliged to preserve the identity of reporting subjects and of their staff that have reported.

Article 14

Exemption from legal liability of reporting to the responsible authority

The entities or supervising authorities, their managers, officials or employees who report or submit information in good faith in compliance with the stipulations of this law, shall be exempted from penal, civil or administrative liability arising from the disclosure of professional or banking secrecy.

Article 15

Requirements for non-declaration *(Amended by Law no.66/2012)*

The subjects, supervising authorities, or other persons required by this law to report information to the “Responsible Authority”, their directors, officials and employees, of the subject being temporary or permanent, are prohibited from informing the customer or any other person other than as provided by this law about the submission or the preparation for submission to the “Responsible Authority” of information about verification and reporting procedures of the suspicious activity as well as any information that is requested by the “Responsible Authority” or about an investigation that is being or may be carried out.

Article 15/1

Repealed

*(Added by Law no. 10 391, dated 3.3.2011;
Repealed by Law no. 66/2012)*

Article 16

Obligations to maintain data

(Amended by Law no. 10 391, dated 3.3.2011)

1. Entities must maintain the documentation concerning identification, accounts and correspondence with the customer for 5 years from the date of closing the account or termination of the business relationship among the customer and the entity. At the request of the responsible authority, the documentation is maintained for more than 5 years.

2. The entities must keep data registers, reports and documents related to financial transactions, national or international, regardless of whether the transaction has been executed in the name of the customer or of third parties, together with all supporting documentation, including account files and business correspondence, for 5 years from the date of the execution of the financial transaction. With the request of the responsible authority, the information shall be kept longer than 5 years, even if the account or the business relation has been terminated.

3. The entities must maintain the data of the transactions, including those specified in article 10, with all the necessary details to allow the reestablishing of the entire cycle of transactions, with the aim of providing information to the responsible authority in accordance with this Law and the sub legal acts pursuant to it. This information shall be stored for 5 years from the date when the last financial



transaction has been carried out. This information shall, upon the request of the responsible authority, be stored longer than 5 years.

4. The entities must make sure that all customer and transaction data, as well as the information kept according to this article, shall immediately be made available upon the request of the responsible authority.

Article 17

Reporting from Customs authorities

1. Every person, Albanian or foreigner, that enters or leaves the territory of the Republic of Albania, shall be obliged to declare cash amounts, negotiable instruments, precious metals or stones, valuables or antique objects, equal to or greater than 1,000,000 ALL, or the equivalent amount in foreign currency, explain the purpose for carrying them and produce supporting documents. The customs authorities shall send a copy of the declaration form and the supporting document to the responsible authority.

The customs authorities shall report immediately and no later than 72 hours to the responsible authority every suspicion, information or data related to money laundering or financing of terrorism for the activities under their jurisdiction.

2. Customs Authorities shall implement the provisions of article 11 of this law.

Article 18

Tax authorities reporting

1. Tax authorities identify their customers, according to procedures foreseen in article 4 of this law, and report in all cases to the Competent Authority immediately and no later than 72 hours, every suspicion, indication, notification or data related to money laundering or terrorism financing.

2. Tax authorities apply the requirements of the article 11 of this law.

Article 19

Central Immovable Properties Registration Office Reporting

1. The Central Immovable Properties Registration Office shall report on the registration of contracts for the transfer of property rights for amounts equal to or more than 6,000,000 (six million) Lek or its equivalent in foreign currencies.

2. The Central Immovable Properties Registration Office shall report immediately and no later than 72 hours to the responsible authority every suspicion, information or data related to money laundering or terrorism financing for the activities under its jurisdiction.

3. The Central Immovable Properties Registration Office shall apply the provisions foreseen in the articles 5 and 11 of this law.

Article 20

Non-profit Organizations

Every authority that registers or licenses non-profit organizations shall report immediately to the responsible authority every suspicion, information or data related to money laundering or terrorism financing.

CHAPTER V COMPETENT AND MONITORING BODIES FOR THE IMPLEMENTATION OF THE LAW

Article 21

Organization of the Responsible Authority (Amended by Law no. 10 391, dated 3.3.2011)

1. The General Directorate for the Prevention of Money Laundering, pursuant to this law, exercises the functions of the responsible authority as an institution subordinate to the Minister of Finances. This directorate, within its scope of activity, is empowered to determine the manner of pursuing and resolving cases related to potential money laundering and financing of potential terrorist activities.

2. The General Directorate for the Prevention of Money Laundering, acts as a specialized financial unit for the prevention and fight against money laundering and terrorism financing. Moreover, this directorate functions as the national center in charge of the collection, analysis and dissemination to law enforcement agencies of data regarding the potential money laundering and terrorism financing activities.

3. Labor relations of the staff of this Directorate shall be regulated by the law no. 8549, date November 11, 1999 "On the Civil Servant Status" and by the Labor Code for the supporting staff.

4. The organization and functioning of the Directorate shall be regulated by Council of Ministers' Decision.

5. The General Director of the General Directorate for the Prevention of Money Laundering is appointed for a 4-year period, with the right of re-nomination.

6. The General Director of the General Directorate for the Prevention of Money Laundering is appointed and dismissed in accordance with the procedures of the Council of Ministers for the appointment and dismissal of directors of the institution subordinated to the Council of Ministers, the Prime Minister, or the minister.

Article 22

Duties and functions of the responsible authority

(Amended by Law no. 10 391, dated 3.3.2011;

amended by Law no. 66/2012;

amended letter "e" and added letter "m" by Law no. 44/2017, article 1)

The General Directorate for the Prevention of Money Laundering as a financial intelligence unit, shall, pursuant to this law, have the following duties and functions:

a) collects, manages, processes, analyzes and disseminates to the competent authorities, data, reports and information regarding cases of money laundering and terrorism financing.

b) has access to databases and any information managed by the state institutions, as well as in any other public registry within the competencies of this law;

c) for the purpose of preventing money laundering and terrorism financing, requests any kind of information from the entities subject to this law;

ç) supervises the activity of the reporting subjects regarding compliance with the requirements of laws and bylaws on prevention of money laundering and financing of terrorism, including inspections, alone or in cooperation with the supervising authorities,

d) exchanges information with any foreign counterpart, subjected to similar obligations of confidentiality. The information offered should be utilized only for the purposes of prevention and fighting of money laundering and financing of terrorism. The information may be disseminated only upon prior consent of the parties;

dh) enter into agreements with any foreign counterpart, subjected to similar obligations of confidentiality.

e) exchanges information with the General Prosecutor's Office, **Chief of Special Prosecution Office**, Ministry of Interior, State Police, **National Bureau of investigation**, State Information Service and other competent law enforcement authorities on cases of laundering of proceeds of crime or financing of terrorism and may sign bilateral or multilateral memoranda of cooperation with them.

ë) it is informed about registered criminal proceedings for money laundering and financing of terrorism and the manner of their conclusion.

f) may issue a list of countries in accordance with paragraph 5 of article 8 of this law, in order to limit and/or check the transactions or business relations of the entities with these countries;

g) orders, when there are reasons based on facts and concrete circumstances for money laundering or financing of terrorism, the blocking or temporary freezing of the transaction or of the financial operation for a period not longer than 72 hours. If elements of a criminal offence are noted, the Authority shall, within this timeframe, present the denunciation to the Prosecution by submitting also a copy of the order for the temporary freezing of the transaction or of the account, according to this article as well as all the relevant documentation;

gj) maintains and administers all data and other legal documentation for 10 years from the date of receiving the information on the last transaction;

h) presents its feedback on the reports that the entities have filed with this authority;

i) organizes and participates, together with public and private institutions, in training activities related to money laundering and terrorism financing, as well as, organizes or participates in programs aimed at raising public awareness;

j) notifies the relevant supervising authority when observing that an entity fails to comply with the obligations specified in this law;

k) publishes within the first quarter of each year the annual public report for the previous year, regarding the activity of the responsible authority. The report should include detailed statistics on the origin of the received reports and the results of the cases disseminated to the prosecution.

l) orders, when there are reasonable grounds for money laundering and financing of terrorism, the monitoring, during a certain period of time, of bank transactions that are being made through one or more specified accounts.

ll) periodically reviews the effectiveness and efficiency of the national systems for combating money laundering and financing of terrorism through statistics and other available information.

To this effect the "Responsible Authority" requests statistics and data from subjects, supervisory authorities and other competent authorities with a responsibility for combating money laundering and the financing of terrorism, that as a minimum, shall include:

i) suspicious transaction reports including breakdown by reporting persons, analysis and dissemination;

ii) on-site supervisory examinations, sanctions imposed including breakdown by type, sector and amount;

iii) cases investigated, persons prosecuted and persons convicted;

iv) property frozen, seized or confiscated;

v) mutual legal assistance and other international requests for cooperation;

m) exercises any other task given by the law.

Article 22/1

Use of data

*(Added by Law no. 66/2012;
added by Law no. 44/2017, article 2)*

1. Any information or data disseminated to law enforcement bodies by the “Responsible Authority” is subject to the law on information classified as state secret and will not constitute proof defined as such in the Criminal Procedure Code.

2. Information or the data sent in application to the Law “On the transitional re-evaluation of judges and prosecutors in the Republic of Albania”, shall be treated in accordance with the provisions of that law.

Article 23

Coordination Committee for the Fight against Money Laundering

(Words added at the point 2 by Law no. 44/2017, article 2)

1. The Coordination Committee for the Fight against Money Laundering shall be responsible for planning the directions of the general state policy in the area of the prevention and fight against money laundering and terrorism financing.

2. The Prime Minister shall chair the Committee consisting of the Minister of Finance, the Minister of Foreign Affairs, the Minister of Defense, the Minister of the Interior, the Minister of Justice, the General Prosecutor, **the Chief Special Prosecutor**, the Governor of the Bank of Albania, the Director of the State Information Service, the General Inspector of High Inspectorate for the Assets Declaration and Auditing and **the Director of National Bureau of Investigation**.

3. The Committee shall convene at least once a year to review and analyze the reports on the activities performed by the responsible authority and the reports on the documents drafted by the institutions and international organizations, which operate in the field of the fight against money laundering and terrorism financing. The general director of the responsible authority shall provide to the Committee upon its request and act as an advisor during the meetings of this Committee.

4. Ministers, members of the parliament, directors or representatives of institutions and experts of the field of prevention and fight against money laundering and financing of terrorism may be invited to the meetings of the Committee.

5. The Committee may establish technical and/or operational working groups to assist in the performance of its functions, as well as, to study money laundering and terrorism financing typologies and techniques.

6. The operation rules of Committee shall be defined in its internal regulation to be adopted by this Committee.

Article 24

Functions of supervisory authorities

(Amended by Law no. 66/2012)

1. The Supervisory Authorities are:

- a) The Bank of Albania for the entities referred to in letters 'a', 'b', 'c', 'ç' and 'd', of Article 3, of this law;
- b) The Financial Supervisory Authority for the entities referred to in letters "e" and "ë" of article 3 of this law
- c) Respective ministries for the supervision for the entities referred to in letters 'f' and 'g' of Article 3, of this law;
- ç) The National Chamber of Advocates for lawyers;
- d) The Ministry of Justice for notaries;
- dh) The relevant authorities for supervising entities defined in letters 'h', 'i', 'j' and 'k' of Article 3, of this law,

2. The supervisory authorities supervise, through inspections, the compliance of the activity of the subjects with the obligations set down in Articles 4, 4/1, 5, 6, 7, 8, 9, 10, 11, 12 and 16 of this Law. For the purposes of this Law, and notwithstanding any other law, supervisory authorities may demand from a subject the production of or access to information or documents related to that subject's compliance with this Law.

3. The Supervisory Authorities shall immediately report to the responsible authority every suspicion, information or data related to money laundering or financing of terrorism for the activities under their jurisdiction.

4. The Supervisory Authorities perform also the following duties:

- a) check implementation by the entities of programs against money laundering and terrorism financing as well as ensure that these programs are appropriate;
 - a/1) inform and cooperate with the "Responsible Authority" in a timely manner on noncompliance issues, the results of their inspections, corrective measures to be taken, and if there were administrative sanctions.
- b) take the necessary measures to prevent an ineligible person from owning, controlling and directly or indirectly participating in the management, administration or operation of an entity;
- c) cooperate and provide expert assistance according to the field of their activity in the identification and investigation of money laundering and terrorism financing, in compliance with the requests of the responsible authority;
- ç) cooperate in preparing and distribution of training programs in the field of the fight against money laundering and terrorism financing;
- d) keep statistics on the actions performed, as well as, on the sanctions imposed in the field of money laundering and financing of terrorism.

5. The supervisory authorities are accurately defined in the secondary legislation pursuant to this law.

Article 25

Prohibition of speculation with professional secrecy or its benefits

1. Entities shall not use professional secrecy or benefits deriving from it as a rationale for failing to comply with the legal provisions of this law, when information is requested or when, in accordance with this law, the release of a document, which is relevant to the information, is ordered.

2. Attorneys and notaries shall be subject to the obligation of reporting information about the customer to the responsible authority, in accordance with this law. Attorneys shall be exempted from the obligation to report with regard to the data that they have obtained from the person defended or represented by them in a court case, or from documents made available by the defendant in support of the defense requested.

Article 26
Revocation of the license
(Amended by Law no. 10391 dated 3.3.2011)

1. The responsible authority may request the licensing/supervisory authority to restrain, suspend or revoke the license of an entity:
 - a) when it ascertains or has facts to believe that the entity has been involved in money laundering or terrorism financing;
 - b) when the entity repeatedly commits one or several of the administrative violations set down in article 27 of this law.
2. The licensing / supervisory authority shall review the application of the responsible authority based on the accompanying documentation, which shall represent the suspicions or the data, based on concrete circumstances and facts, according to the paragraph 1 of this article. The licensing/supervisory authority shall make a decision to accept or refuse it in accordance with the provisions of this law and with the legal and sublegal provisions, which regulate its activity and the activity of the entities licensed and supervised by it.
3. With regard to the entities that carry out banking activity under the circumstances stipulated in letters 'a' and 'b' of paragraph 1, of this article, the responsible authority may request from the Bank of Albania the enhancing of the level of supervision of the entity.

Article 27
Administrative contraventions
(Amended by Law no. 10 391, dated 3.3.2011;
amended by Law no. 66/2012)

1. When they do not constitute criminal offences, the violations committed by subjects are classified as administrative contraventions whereupon the subjects are fined.
2. In cases when they do not meet the obligations provided for in articles 4; 4/1; 5; 6; 11; of this law, the subjects are fined:
 - a) natural persons: from 100 000 Lek to 1 000 000 Lek;
 - b) legal persons: from 300 000 Lek to 3 000 000 Lek;
3. In cases when they do not meet the obligations provided for in articles 7,8, 9 and 10 of this law the subjects are fined:
 - a) natural persons: from 200 000 Lek to 2 000 000 Lek;
 - b) legal persons: from 400 000 Lek to 4 000 000 Lek;
4. In cases when they do not meet the requirements and time limits bylaws in application by this law for reporting of transactions over the threshold or reporting of the suspicious activity, provided for in articles 4/1, 9 and 12, of this law, the subjects are fined:
 - a) natural persons from 300 000 Lek to 3 000 000 Lek;
 - b) legal persons from 500 000 Lek to 5 000 000 Lek;
5. In cases when they do not meet the obligations provided for in articles 15 and 16 of this law, the subjects are fined:
 - a) natural persons from 200 000 Lek to 1 500 000 Lek;
 - b) legal persons from 1 000 000 Lek to 4 000 000 Lek;
6. In cases when they do not enforce the order of the "Responsible Authority" issued pursuant to article 22, letter "g", the subjects are fined:

a) natural persons from 300 000 Lek to 2 000 000 Lek;

b) legal persons from 2 000 000 Lek to 5 000 000 Lek.

7. Except as provided for in items 2, 3, 4, 5, 6, of this article, when the subject is a legal person and the administrative contravention is committed:

a) by an employee or non-administrator of the subject, the person who has committed the violation, is fined from 20 000 Lek to 200 000 Lek;

b) by an administrator or manager of the subject, the person who has committed the violation is fined from 50 000 Lek to 500 000 Lek;

8. Fines are determined and applied by the “Responsible Authority”.

9. The “Responsible Authority” informs the licensing and/or supervising authorities about the sanctions imposed.

10. The procedures for the verification, examination, proposal and adoption of administrative measures by the “Responsible Authority” are defined by a decree of the Council of Ministers. Appeal procedures and the execution of fines, set forth in the decision of the “Responsible Authority”, are performed in accordance with the Law “On administrative contraventions”.

11. The right to examination of administrative contraventions provided for in this article may not be exercised when 2 years have elapsed from the time the administrative contravention was committed.

Article 28

Issuance of regulations

1. The Council of Ministers, upon the proposal of the Minister of Finance, within 6 months of coming into effect of this law, shall issue detailed rules regarding the form, method and reporting procedures of the data in pursuance of this law, for the licensing and supervising authorities, the Central Immovable Properties Registration Office, and the Agency for the Legalization, Urbanization and Integration of Informal Areas and Constructions.

2. General Inspector of High Inspectorate for the Assets Declaration and Auditing shall regularly, and not less than twice a year, present to the responsible authority the complete and updated list of the politically exposed persons drafted based on the provisions set down in Law No. 9049, date April 10, 2003 “On the declaration and auditing of assets and financial obligations of the elected officials and of a number of public servants”.

3. The Minister of Finance shall, upon the proposal of the responsible authority, adopt, within 6 months from the publishing of this law in the Official Journal, detailed rules related to the following:

a) methods and procedures for the reports of the entities described in article 3 of this law;

b) methods and procedures for the reports of the customs authorities;

c) methods and procedures for the reports of the tax authorities;

ç) applicable standards or criteria and timeframes for the reporting of suspicious activities, according to the tendencies and typologies in compliance with international standards;

d) detailed procedures for the verification of administrative violations committed by the reporting entities.

Article 29

Transitional Provisions

Provisions of the Law No. 8610, of May 17, 2000, “On the Prevention of Money Laundering”, amended, shall be applied until this Law enters into force.



All secondary legislation issued pursuant to Law No. 8610 shall be applied as long as they do not contravene with this law and shall be effective until they are substituted by other sublegal acts to be issued pursuant to this Law.

Article 30
Repealing Provision

The Law No. 8610, May 17, .2000, “On the Prevention of Money Laundering”, as amended shall be repealed.

Article 31
Entry into force

This law shall enter into force three months following its publication in the Official Gazette.

Promulgated by decree no. 5746, dated 9.6.2008 of the President of the Republic Bamir Topi

Entry into force
(provided by Law no.44/2017, article 4)

This law shall enter into force 15 days following its publication in the Official Gazette.

Promulgated by decree no. 10149, dated 19.04.2017 of the President of the Republic Bujar Nishani